

## STATEMENT OF CONSIDERATIONS

Request by **Chevron Production Company (Chevron)** for an Advance Waiver  
of Domestic and Foreign Invention Rights under  
Cooperative Agreement No.DE-FC22-95BC14938 - **W(A)-95-026, CH-0870**

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The Participant, Chevron, was awarded this Cooperative Agreement under the Class III Oil Program: Mid-term Activities, consistent with the National Energy Strategy Advanced Oil Recovery Program. This Cooperative Agreement is for the characterization in the Antelope Shale to establish the viability of CO<sub>2</sub> in California's Monterey Siliceous Shales. Drilling operations, reservoir management, production engineering, geological studies, and geophysical acquisition and processing, and the related analyses of all resulting data will be included in the scope of work. Chevron has requested a waiver of domestic and foreign rights for all subject inventions under this Agreement.


Chevron's response to question 4 of the petition shows the total estimated cost of the Agreement to be about \$10.88 million with DOE providing about \$5.44 million and Chevron the remainder for 50% cost sharing. The agreement term is 5½ years.

In its response to questions 5 and 7, Chevron explains that it has significant expertise in the technology of this project. Chevron currently operates approximately 30,319 oil and gas wells in the U.S. and about 34,727 oil and gas wells world wide. It has conducted research and development operations since the early stages of the oil industry. Chevron has attached an extensive list of currently active U.S. patents it holds relating to oil field technologies. A list describing Chevron's multitudinous publications in this technological field have also been supplied with this petition. Chevron frequently licenses this technology to vendors and oil field service companies for subsequent use throughout the industry. A partial listing of such licenses, based on royalty reports, since 1988, is attached to Chevron's petition. This private investment and proposed cost sharing clearly demonstrates Chevron's commitment to the technology and indicates likelihood of effort to commercialize the results of the agreement.

There would be only a negligible, if any, effect on competition and market concentration by grant of the waiver. Other oil companies operate numerous oil fields worldwide, and Chevron states it is difficult to conclude that any invention made at the subject oil field would have any appreciable effect on competition and market concentration. Chevron would expect that any invention resulting from this contract would be made available to other oil companies in view of its past record.

Chevron has agreed to the standard provisions with respect to invention waivers with the substitution of the march in rights, U.S. manufacturing preference and U.S. government license provided in 35 U.S.C. 202-204. Additionally, Chevron has accepted standard background patent and data provisions of paragraphs (k) and (h) along with a special U.S. Competitiveness provision (attached) to assure substantial manufacture in the United States. The Energy Policy Act of 1992 (42 U.S.C. § 13525) is applicable to this agreement, and the contracting officer has determined that Chevron has fully met the provisions of that act.

Considering the foregoing, it is believed that granting the waiver will provide the Petitioner with the necessary incentive to invest its resources in the commercialization of the results of the agreement in a fashion which will make the agreement's benefits available to the public in the shortest practicable time. Therefore, in view of the objectives and considerations set forth in DOE 41 CFR 9-9.109-6, all of which have been considered, it is recommended that the requested waiver, as set forth above, be granted.

  
Mark P. Dvorscak  
Patent Attorney  
Office of Intellectual  
Property Counsel, CH

Date Jan 29, 1996

Based on the foregoing Statement of Considerations and the representations in the attached waiver petition, it is determined that the United States and the general public will best be served by a waiver of rights of the scope described above, and therefore the waiver is granted. This waiver shall not apply to any modification or extension of this agreement, where through such modification or extension, the purpose, scope, or cost of the agreement is substantially altered.

CONCURRENCE:



*for* Donald A. Juckett, Director  
Office of Geoscience Research  
FE-33 8F--032/FORS

Date 2/28/96

APPROVAL:



Paul A. Gottlieb/Assistant General  
Counsel for Technology Transfer and  
Intellectual Property, HQ

Date 3-7-96

(FOR INSERTION IN ADVANCE WAIVER OF PATENT RIGHTS)

(c)(3)(ix) U.S. COMPETITIVENESS

The Participant (waiver recipient) agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless the Participant (waiver recipient) can show to the satisfaction of DOE that it is not commercially feasible to do so. In the event DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government's investment, etc. The Participant (waiver recipient) agrees that it will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements. Should the Participant (waiver recipient) or other such entity receiving rights in the invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license or other transfer of rights in the waived invention is suspended until approved in writing by the DOE.

## ***WAIVER ACTION - ABSTRACT***

***W(A)-95-026 - CH-0870***

### REQUESTOR

Chevron Production  
Co. (Chevron)

### CONTRACT SCOPE OF WORK

Characterization in the Antelope  
Shale to establish the viability  
of CO<sub>2</sub> in California's Monterey  
Siliceous Shales

### RATIONALE FOR DECISION

Fifty Percent (50%) Cost Sharing

### DISPOSITION